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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 002542

SIPDIS

STATE FOR NEA/ARP, NEA/NGA SA/INS, DRL/PHD, DRL/ILA, G/TIP
STATE FOR CA/OCS/ACS/NESA, M/P FOR JAY ANANIA
MANILA FOR PAUL O'FRIEL
NEW DELHI FOR LAUREN HOLT

E.O. 12958: DECL: 08/10/2014

TAGS: [ELAB](#) [MOPS](#) [PREL](#) [PHUM](#) [ETRD](#) [FAID](#) [KU](#) [IZ](#) [IN](#) [RP](#)

SUBJECT: IRAQ TRAVEL BAN: IMPACT ON US MILITARY CONTRACTORS

REF: A. KUWAIT 2496
[B](#). KUWAIT 2425
[C](#). KUWAIT 2006
[D](#). KUWAIT 1834
[E](#). KUWAIT 1835
[F](#). KUWAIT 1683
[G](#). ANKARA 4340
[H](#). ISTANBUL 1249

Classified By: CDA Matthew Tueller, Reasons 1.4 (a) and (d)

[11.](#) (C) SUMMARY. Econoff spoke on August 10 with the two major US military contractors transporting supplies for US operations in Iraq, to see how the travel ban preventing Indian and Filipino workers from entering Iraq is affecting their operations. Altanmia, which holds the Defense Energy Support Center contract for shipping humanitarian fuel to Iraq, has been largely unaffected by the ban, with only one convoy turned around at the border. But the operations of the prime vendor for supplying water and food to U.S. forces in Iraq, the Public Warehousing Company (PWC), have been dramatically affected, with only about 25 percent of PWC's supplies getting through the Kuwait-Iraq border. PWC says that if the Government of the Philippines' ban were lifted, it could "limp along," but if the ban is maintained, the long-term consequences will be serious. PWC is having difficulty finding replacement workers, with the governments of Thailand, Pakistan, Sri Lanka and Kenya now prohibiting their nationals from working in Iraq. Although PWC says that realistically, the ban would have to drag on for months before they would take the drastic step of firing their Indian and Filipino workers, the company has intimated to the Indian and Philippines embassies that PWC will have to do so sooner rather than later because they cannot afford to pay people who cannot do their jobs. END SUMMARY.

[12.](#) (C) Econoff spoke on August 10 with the two major US military contractors transporting supplies for US operations in Iraq, to get a sense of how the travel ban preventing Indian and Filipino workers from entering Iraq (Refs A and B) is affecting their operations. Altanmia General Manager Waleed Al-Humaidhi (please protect), whose company holds the Defense Energy Support Center contract for shipping humanitarian fuel to Iraq, reports that Altanmia has been largely unaffected by the ban, with only one convoy turned around at the border. According to him, Altanmia began replacing its Indian drivers with other nationals after the Government of India imposed its first Iraq travel ban in May/June (Refs C-F), and thus reduced the company's previously significant dependence on Indian labor. The ban's impact has been further lessened thanks to a reduction in the number of fuel convoys from four or five per day to one convoy per day, which has subsequently reduced the number of Altanmia drivers required to man the convoys.

[13.](#) (C) By contrast, the ban has dramatically affected the operations of the Public Warehousing Company (PWC), the prime vendor for supplying water and food to U.S. forces in Iraq. Human Resources Manager Mark Von Weethe (please protect throughout) estimates that on average, only about 25 percent of PWC's supplies are currently getting through the Kuwait-Iraq border. In his words, the military border crossing point (Navistar) is "starting to resemble a large parking lot." Although he is unsure when PWC will have to stop loading trucks, he warns that it will be "soon."

[14.](#) (C) Unlike Altanmia, PWC is highly dependent on Indians and Filipinos, with approximately 175 Indian and 175 Filipino drivers employed in Kuwait and an additional 150 Filipinos under contract but waiting in Manila for the travel ban to be lifted (like Altanmia, however, PWC also started diversifying its workforce away from Indians after the first travel ban). Von Weethe is more concerned about the effects of the Philippines' ban than India's, saying that Filipinos are PWC's first choice of workers in terms of quality, attitude, and English language skills. If the Government of the Philippines' ban were lifted, he says, PWC could "limp along;" but if the ban is maintained, the long-term consequences for PWC will be serious.

[15.](#) (C) Von Weethe reported that PWC is having a difficult

time finding replacement workers. Although the company has had a fair degree of success with hiring Turkish drivers, the recent decision by a Turkish trucking companies' association to call for a ban on Turkish trucks in Iraq renders their status uncertain (Refs G and H). Further complicating matters, Von Weethe says that the governments of Thailand, Pakistan, Sri Lanka and Kenya have all prohibited their nationals from working in Iraq; Bangladesh is the only subcontinent country whose drivers are still available. PWC has explored the possibility of hiring Eastern Europeans, but has found that to be a largely unattractive option: it would require a significant wage increase for drivers; Bulgaria is balking because of the kidnapping and reported killing of its nationals; and Russians are excluded by a US military ban. PWC is now looking into the possibility of employing Mexican drivers.

16. (C) When asked if there were a point at which PWC would have to fire its Indian and Filipino workers, Von Weethe said that realistically, the ban would have to drag on for months to require such a drastic step be taken (especially with regard to the Filipinos). Because of the efforts PWC has expended to hire these workers, the amount of time it would take to replace them, and the importance of the project to PWC and the US military, Von Weethe said the company would refrain from taking any "precipitous action" until it is apparent that the workers will not be able to drive. However, he added, PWC has sent letters to the Indian and Philippines embassies, intimating that PWC will have to take a business decision to replace their nationals sooner rather than later, because the company cannot afford to pay people who cannot do their jobs. Finally, Von Weethe said he is considering sending his workers to their respective embassies so that they may voice their willingness to work in Iraq and their opposition to the ban.

17. (U) Baghdad minimize considered
TUELLER